

# ARTICLES OF ASSOCIATION OF [ENTITY]

[ENTITY] is a not-for-profit company established to carry out a broad range of economic development activities on behalf of the citizens and taxpayers located in the Edmonton Metropolitan Region.

The [ENTITY] has multiple Shareholders defined in Schedule "A" and the interests of the citizens and taxpayers of the Edmonton Metropolitan Region are represented by the Shareholders and the appointed directors. The Shareholders agree in principal to pursue a model of shared cost for shared benefit.

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## **INTERPRETATIONS AND DEFINITIONS**

## 1. TABLE A

The regulations contained in Table “A” in the First Schedule to the Companies Act shall not apply to this Company.

## 2. DEFINITIONS

In these Articles, unless the context otherwise requires:

- a) “Act” means the Companies Act being chapter C-20 of the Revised Statutes of Alberta, 1980;
- b) “Annual Contribution Fee” means the fee set by the Shareholders each year for the annual contribution of each of the Shareholders to be set in accordance with Funding Formula and to be approved by the Shareholders on a three year rolling basis;
- c) “Articles” means these Articles of Association as altered or added to from time to time;
- d) “Board” means the board of directors of the Company;
- e) “CEO” means the Chief Executive Officer;
- f) “Company” means [Entity] brought into existence by the issuance of a certificate of incorporation under the Act pursuant to the Memorandum and Articles;
- g) “Conflict of Interest” means any matter that a person or any member of that persons immediate family has any direct or indirect financial interest;
- h) “Director” means a person appointed to the Board by the Shareholders as a director of the Company;
- i) “Edmonton Metropolitan Region” means the region with boundaries identified in Schedule “C” as may be amended from time to time by resolution of the Shareholders;
- j) “Elected Representative” means a municipal councillor of the participating Shareholder appointed by the Shareholder as the Shareholders Elected Representative pursuant to article 68;
- k) “Funding Formula” means the formula set out in schedule “D” hereto;
- l) “Funding Model” means the three year rolling budget commitment approved annually and set by the Shareholders as set out in article 50 and in accordance with any policies of the Company;
- m) “Memorandum” means the Memorandum of Association of the Company as altered from time to time;
- n) “meeting of the Shareholders” includes the annual general meeting of the Shareholders required by the Act, a special, extraordinary or other meeting of the Shareholders;
- o) “Non-Business Day” means Saturday, Sunday and any other day that is a holiday as defined in the Interpretation Act (Canada);
- p) “Officers” means the Chair of the Board appointed by the Shareholders and the Vice-Chair, Secretary and any other officer that the Directors may appoint in accordance with these Articles and the Act;
- q) “Public Official” means an elected official from either municipal or provincial government or a city manager, county manager, or chief administrative officer;
- r) “Recorded Address” means in the case of an Elected Representative or Shareholder, the address of that Representative or Shareholder as recorded in the register of Representatives and Shareholders maintained by the Company and, in the case of a Director, Officer, auditor, member of a committee of the Board, advisor or member of an advisory body, the last address of that person as recorded in the records of the Company;
- s) “share” means a share in the capital stock of the Company;
- t) “Shareholders” means the member municipalities that each own one share of the Company and “Shareholder” means each of them;
- u) “Special resolution” means a resolution approved by at least seventy-five (75%) of the votes cast by the Elected Representatives of the Shareholders;
- v) “Transition Board” has the meaning given to it in Section 82.

## 3. INTERPRETATION

Except where stated in article 2 or where the context does not permit:



- a) words and expressions defined in the Act have the same meanings when used in the Articles;
- b) the reference in the Articles to the “Shareholders” in the context of any record, register, authority, action, meeting or resolution shall be synonymous with a reference in the Act to the Shareholders or Members;
- c) words importing the singular number include the plural and vice versa;
- d) words importing gender include the masculine, feminine and neuter genders; and
- e) words importing a person include a body corporate.

#### 4. DETERMINING AUTHORITY OF LISTED OFFICERS

Subject to any resolution of the Shareholders or the Board, where the authority or responsibility for any duty or function is prescribed to a list or series of Officers in these Articles or any Board policy, that authority or responsibility shall be discharged or undertaken by the Officers in priority of the order listed.

#### 5. LEGISLATION REFERENCES

Except where specifically limited or where specifically provided to the contrary in any legislation, the reference to any legislation shall be deemed to include all amendments thereto and regulations thereunder and all statutes, including all amendments thereto and regulations thereunder, that may be substituted for that legislation.

#### 6. INTERNAL REFERENCES

Except where otherwise stated, all references to;

- a) “appoint” includes “elect” and vice versa;
- b) “Articles” mean only these Articles and all references to article numbers refer to the numbered paragraphs in these Articles;
- c) “members” means Shareholder throughout this document;
- d) “month” means a calendar month; and
- e) “in writing” and “written” includes printing, typewriting, lithographing, telefacsimile recording, email and other methods of representing or reproducing words in visible form.

#### 7. HEADINGS

The headings to any article or group of articles are inserted for convenience of reference and do not define, enlarge or limit the terms and provisions of that article or group of articles or the Articles, generally.

#### 8. CONTINUOUS EFFECT

The Articles shall be construed as always speaking and shall be interpreted and applied to circumstances as they arise.

#### 9. SUPREMACY OF AUTHORITIES

Whether or not expressly stated in the Articles, the Act or the Memorandum, at all times the Articles are subject to the Act and the Memorandum in that order.

#### 10. METHOD OF GIVING NOTICES

Any notice (which term includes any communication or document) to be given (which term includes “sent”, “delivered” or “served”) pursuant to the Act, the Articles or otherwise to any Shareholder,, Director, Officer, Elected Representative, auditor or member of a committee of the Board, shall be sufficiently served or sent:

- a) if delivered personally to that person;
- b) if delivered to the Recorded Address of that person;
- c) if mailed by prepaid ordinary mail to the Recorded Address of that person;
- d) if the Secretary knows of no address for that person, by posting the notice in the registered office of the Company; or
- e) if transmitted prepaid to the Recorded Address of that person by any means of electronic recorded transmission.

#### 11. DEEMED RECEIPT OF NOTICE

A notice given in any of the ways provided in article 10 shall be deemed to have been received by the person to whom it is to be given:

- a) on the day of actual delivery if delivered personally to that person;
- b) on the day following the day of actual delivery, if delivered to the Recorded Address of that person;
- c) three days (excluding Non-Business Days) following the day when the notice was deposited, prepaid, in a post office or public letter box;
- d) on the day when the notice was posted-up in the registered office of the Company when the Secretary knows of no address for that person; or
- e) on the day of actual transmission, if delivered by any means of electronic recorded transmission.

#### 12. CHANGE OF RECORDED ADDRESS

The Secretary may change the Recorded Address of any Shareholder, Director, Officer, Elected Representative, auditor or member of a committee of the Board in accordance with any information believed by the Secretary to be reliable.

#### 13. COMPUTATION OF TIME

In computing the date when notice must be given under any provisions requiring a specified number of days' notice of any meeting or other event, the deemed date of receipt of the notice shall be excluded and the date of the meeting or other event shall be included.

#### 14. CERTIFICATE OF NOTICE

A certificate of the Secretary or other duly authorized officer of the Company in office at the time of the making of the certificate as to the facts in relation to the mailing or telecommunicating or delivery or posting up of any notice to any person or publication of any notice, shall be prima facie evidence thereof and shall be binding on the Company and every person affected by that notice.

## **GENERAL BUSINESS**

#### 15. COMMENCEMENT OF BUSINESS

The business of the Company may be commenced as soon after the incorporation of the Company as the Directors may see fit.

#### 16. FINANCIAL YEAR

The fiscal year of the Company shall end on December 31 in each year.

#### 17. AUTHORITY TO EXECUTE INSTRUMENTS

The Board shall specify the manner in which and the Officer or Officers by whom any particular instrument or class of instruments may or shall be signed. Except as the Board may otherwise authorize from time to time, any two of:

- a) the Chair or Vice Chair of the Board; and
- b) any Director,

shall have the authority to execute all documents or contracts on behalf of the Company and have the authority to bind the Company. Any authorization made by the Board may be general or confined to specific instances. Except as provided in this article or as otherwise authorized by the Shareholders or the Board within their respective authority, no Director, officer, agent or employee shall have any power or authority to bind the Company.

#### 18. MECHANICAL SIGNATURES

The signature of any person authorized to sign any deed, document or instrument on behalf of the Company may be engraved, lithographed or otherwise mechanically reproduced upon any negotiable instrument, bond, debenture, warrant, share certificate or notice and any negotiable instrument, bond, debenture, warrant, share certificate or notice so signed shall be deemed to have been manually signed by the person whose signature is so engraved, lithographed or otherwise mechanically reproduced and shall be as valid for all intents and purposes as if it had been manually signed.

#### 19. BANKING ARRANGEMENTS

The banking business of the Company shall be transacted with the banks, trust companies and other persons and in the manner as may be specified by the Board.

#### 20. CORPORATE SEAL

The Company shall have a corporate seal which shall be of the form and device as may be adopted by the Board, and the Board may make all provisions with respect to the custody and use of the seal and the appointment of a Director or Directors or other Officers, to attest by their signatures that the seal was duly affixed.

#### 21. OFFICIAL FACSIMILE SEAL

The Company may exercise the powers conferred by the Act and may have for use in any other province state or country, an official seal, which shall be a facsimile of the corporate seal of the Company with the addition on its face of the name of the province, state, country or jurisdiction where it is to be used. Subject to the Act,

the Board may make all provisions respecting the use of that facsimile seal and may comply with the requirements of any local law.

## 22. NO DIVIDENDS

No dividends may be declared or paid by the Company.

## 23. LIMITATION OF LIABILITY

No Director or officer shall be liable for:

- a) the acts, omissions or defaults of any other Director, officer, manager or employee of the Company or of the Company itself;
- b) any loss or damage suffered by the Company or any expense incurred through the insufficiency or deficiency of title to any property acquired for or on behalf of the Company;
- c) the insufficiency or deficiency of any security in or upon which any of the monies of the Company were invested;
- d) any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any of the monies, securities or valuables of the Company shall be deposited;
- e) any loss occasioned by any error of judgment or oversight on the part of that Director or officer; or
- f) any other loss, damage or misfortune which shall happen in the execution of the duties of any office or in relation to it.

## 24. INDEMNITY OF DIRECTORS, OFFICERS, MANAGERS, EMPLOYEES

The Company shall indemnify every Director, officer, manager, employee, former Director, officer, manager, employee and person who acts or has acted at the request of the Company as a director or officer of a body corporate of which the Company is or was a Shareholder or creditor, and the heirs and legal representatives of every such person, against all costs, charges and expenses, including amounts paid to settle an action or satisfy a judgment and all expenses, reasonably incurred by that person (including legal costs and expenses on a solicitor-and-his-own-client basis) in respect of any contract entered into or act or thing done by that person or any civil, criminal or administrative action or proceeding to which that person is made a party by reason of being or having been a Director, officer, manager or employee of the Company or a director, officer, manager or employee of that body corporate, if:

- a) that person acted honestly and in good faith in discharging the duties of that person with a view to the best interests of the Company or that body corporate as the case may be; and
- b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, that person had reasonable grounds for believing that his or her conduct was lawful.

## 25. INDEMNITY OF OTHERS

The Company shall also indemnify those persons in all other circumstances as the Act permits or requires. Nothing in the Articles shall limit the right of any person entitled to be indemnified to claim indemnity apart from the provisions of the Articles. None of the provisions hereof shall be construed as a limitation upon the right of the Company to exercise its general power to enter into a contract or undertaking of indemnity with or for the benefit of any Director, director, officer, manager or employee.

## 26. INSURANCE

The Company may purchase and maintain insurance for the benefit of any person referred to in article 24 against the liabilities and in the amounts as the Board may specify.

## 27. REGISTERED OFFICE

The registered office of the Company may only be changed by the Shareholders.

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## **SHARE SUBSCRIPTIONS AND TRANSFERS**

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## 28. SHARES UNDER CONTROL OF SHAREHOLDERS

Subject to the provisions of the Articles, the shares shall be under the control of the Shareholders, who may accept subscriptions, allot, issue, grant options in respect of or otherwise dispose of them to those persons on terms and conditions, at times and for such consideration as the Shareholders determine appropriate.

## 29. RECOGNITION OF TRUST AND CONTRACTS

Except as herein otherwise provided or in any trust instrument directed to the Company or in any contract to which the Company is a party, and subject to the provisions of the Act and any other relevant legislation, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and shall not be bound to recognize any equitable or other claim to or interest in that share on the part of any other person.

## 30. NO SHARE SUBSCRIPTIONS RECEIVABLE

A share shall not be issued by the Company until the consideration for the share is fully paid.

## 31. SHARE REGISTERS

The Company shall, at its registered office, maintain one or more registers in which it records the shares issued by it, the Shareholders of the Company and all transfers of shares approved by the Shareholders.

## 32. ENTITLEMENT TO SHARE CERTIFICATES

Every Shareholder shall be entitled to one certificate evidencing, in the aggregate, the number of shares held by that Shareholder as shown on the share register.

## 33. SHARE CERTIFICATE FORM

Share certificates shall be in a form approved by the Board. To be valid, every share certificate must be signed by two Directors or Officers designated by the Board and unless otherwise permitted by the Board, must be under the corporate seal of the Company.

## 34. RECORDING TRANSFERS

All transfers of shares shall be entered and particulars of all transfers shall be recorded in the register of members and in such other registers that the Board establishes for this purpose.

## 37. TRANSFER FORMALITIES

No transfer of shares be valid until the transfer has been approved by the Shareholders, entered in the register of members and in such other registers that the Board establishes for this purpose and the certificates representing the shares to be transferred have been surrendered and cancelled.

## 35. LOST AND DESTROYED CERTIFICATES

Upon such terms and conditions as to indemnity or otherwise as the Board deems expedient, the Board may direct that a new certificate for shares be issued to replace any certificate theretofore issued by the Company that has been worn out, lost or destroyed.



### 36. PURCHASE OF SHARES

Subject to the Act, the Shareholders may authorize the Company to repurchase any of its shares on such terms and conditions as the Shareholders may determine by Special Resolution.

### 37. LIMITATION OF NUMBER OF SHAREHOLDERS

The number of Shareholders of the Company is limited to fifty not including persons who are in the employment of the Company, and persons who, having been formerly in the employment of the Company, were, while in that employment, and have continued after the determination of that employment to be Shareholders of the Company, two or more persons holding one or more shares jointly being counted as a single Shareholder.

### 38. NO INVITATION TO PUBLIC

Any invitation to the public to subscribe for any shares of the Company is prohibited.

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## **SHAREHOLDERS AND SHAREHOLDER MEETINGS**

### 39. SHAREHOLDERS ELIGIBILITY, TERM, AND COMMITMENTS

Participation in the Company as a Shareholder shall be limited to municipalities in Alberta that meet the following criteria:

- a) the municipality is located within the Edmonton Metropolitan Region; and,
- b) the municipality has paid the one-time share purchase applicable at the time in exchange for the issuance of shares; and,
- c) the municipality is added to the membership by special resolution of the Shareholders; and,
- d) the municipality commits to be a Shareholder for a period of three years and to the Company's Funding Model; and
- e) the municipality agrees in principle that the Company will pursue a model of shared cost for shared benefit.
- f) the municipality must agree to a three year budget commitment to the Company

### 40. INITIAL SHAREHOLDERS

The initial Shareholders of the Company are as set out in Schedule "A" to these Articles and are deemed to have received Shareholder approval as required by article 39(c).

### 41. ADDITION OF SHAREHOLDERS

A municipality may join the Company after the initial incorporation if they meet all of the eligibility criteria set out in article 39 and pay the buy-in fee that may be set by the Shareholders from time to time. The Shareholders will have the discretion to admit a new municipality at any time that the Shareholders see fit through a special resolution and make such resolutions as necessary setting out the new municipality's contribution to the three year commitment model for any partial year of membership.

### 42. WITHDRAWAL OF SHAREHOLDER

A Shareholder may withdraw from the Company by providing written notice to the Company at least two years in advance of termination and to such termination will only be effective at the end of the Shareholders then current three year commitment to the Company (the "Notice Period"). The Shareholder shall continue to make an annual contribution to the Company during each year of the Notice Period that is fixed at the rate of the current year's Annual Contribution Fee to which the Shareholder is bound.

### 43. REMOVAL OF SHAREHOLDERS

A Shareholder shall be deemed to have been removed as a Shareholder and such Shareholders shares shall transfer back to the Company on the occurrence of any of the following events:

- a) the expiry of the termination notice period when the Shareholder voluntarily withdraws under article 42; or
- b) the Shareholder is no longer a municipality within the boundaries of the Edmonton Metropolitan Region; or
- c) the Shareholder fails to pay any Annual Contribution Fee that the Shareholders approve by special resolution; or

- d) the Shareholder is removed from membership by special resolution of the Shareholders.

Notwithstanding that a Shareholder may be removed from membership pursuant to article 43(c) and 43(d), the Shareholder shall continue to be bound by any three year funding commitment in place between the Shareholder and the Company, unless the Shareholders by special resolution have determined otherwise.

A Shareholder who is removed from the membership pursuant to this article 43 shall not be permitted to rejoin the Company for a period of at least five (5) years from the date of termination. Notwithstanding the foregoing, a Shareholder who is removed from the membership according to article 43(b) shall be permitted to rejoin the Company if and when the boundaries of the Edmonton Metropolitan Region are amended to include the municipality.

#### 44. RESTRICTIONS ON TRANSFER

No transfer of shares shall be permitted.

No right or privilege of any Shareholder shall be in any way transferable or transmissible, and all such rights and privileges shall cease upon the Shareholder ceasing to hold shares.

#### 45. SHAREHOLDER ELECTED REPRESENTATIVES

Each Shareholder of the Company shall appoint an Elected Representative as directed in article 66 and such Representative shall have the authority to vote on behalf of the Shareholder at any meeting of the Shareholders.

#### 46. SPECIFIC SHAREHOLDER AUTHORITY

In addition to all other matters which are subject to the exclusive authority of the Shareholders of a company under the Act or are subject to some approval or action of the Shareholders under the Articles, the following matters pertaining to the business and affairs of the Company are reserved exclusively to the authority and approval of the Shareholders who shall have all power to:

- a) make, amend and repeal the Memorandum and the Articles through special resolution;
- b) in addition to any qualifications prescribed in the Act, specify all eligibility and residency criteria for Directors ;
- c) elect, re-elect and remove Directors and fill vacancies in the Board;
- d) establish rules, duties, powers and provide for the accountability of Directors;
- e) approve compensation and benefit plans, if any, for Directors but in respect only to their services in those capacities and in accordance with Article 104 and any policy of the Company with respect to Conflict of Interest and Directors Compensation;
- f) appoint and remove the auditors of the Company;
- g) authorize any investigation of the business and affairs of the Company or any part thereof and appoint and remove any person or persons to conduct any investigation so authorized;
- h) approve the issuance of shares to a new Shareholder and establish rules and policies setting out shareholder eligibility criteria in addition to those set out in article 39;
- i) cause or enable the Company to enter into any merger or amalgamation with any other entity;
- j) approve the sale, lease, exchange or disposal of all or substantially all or a material portion of the property of the Company;
- k) approve all borrowing requirements of the Company within its operating and capital budgets where the borrowing exceeds one hundred thousand (\$100,000.00) dollars;

- l) approve the continuance of the Company under any other legislation including the laws of another jurisdiction;
- m) establish a committee to recommend a slate of candidates for initial Board appointments and the terms of reference for such committee;
- n) establish a skill matrix based process and selection policies for future Board appointments;
- o) appoint and reappoint the Chair of the Board and remove any person appointed or reappointed to that office provided that except for the first Chair of the Board, the Chair of the Board shall have previous experience as a director on the Board;
- p) authorize modification of Funding Formula;
- q) set the Annual Contribution Fee;
- r) allot, issue, sell, transfer, exchange or otherwise dispose of or option or agree to allot, issue, sell, exchange or otherwise dispose of any of the shares;
- s) authorize the Company to create and distribute its securities; and
- t) receives annual presentations from the Board and management team.

#### 47. SHAREHOLDER CONTRIBUTIONS

Each year, the Shareholders shall set the Annual Contribution Fee to be paid by each Shareholder using the Funding Formula. Other sources of funding will be considered when calculating membership contributions.

#### 48. CONFIDENTIALITY

Each Shareholder and Elected Representative shall maintain as confidential the business and affairs of the Company. However, such restrictions shall not restrict any Shareholder or Elected Representative in promoting the lawful objects of the Company.

#### 49. ANNUAL GENERAL MEETINGS

The annual general meeting of the Company required by the Act, shall be held in the Edmonton Metropolitan Region (or elsewhere if the Shareholders consent), in each year and at such place as the Board may specify.

#### 50. APPOINTMENT OF CHAIR

At each annual general meeting the Shareholders shall select a Chair for that meeting from the Elected Representatives in attendance at the meeting

#### 51. SECRETARY AT MEETINGS OF SHAREHOLDERS

If the Secretary of the Company is absent, the Chair of the meeting shall appoint some person, who need not be an Officer, to act as secretary of the meeting.

#### 52. BUSINESS AT ANNUAL GENERAL MEETINGS

At every annual general meeting of the Company required by the Act, the Shareholders shall consider and may pass one or more resolutions or Special Resolutions with respect to:

- a) accepting the financial statements of the Company;
- b) accepting the auditor's report;
- c) the appointment or reappointment of any person as a Director;
- d) on the expiration of the term of office of the Chair of the Board, the appointment or reappointment of any Director as Chair of the Board;

- e) the appointment or reappointment of any auditor; and
- f) all outstanding matters requiring the approval of the Shareholders.

At each annual General meeting the shareholders will approve a three year budget commitment and the Annual Contribution Fee for the current year.

#### 53. EXTRAORDINARY GENERAL MEETINGS

The Board or Shareholders holding more than 50% of the issued shares have the right to call an extraordinary general meeting of the Company.

#### 54. MID-YEAR MEETING

There shall be a mid-year information meeting of the Shareholders held in the Edmonton Metropolitan Region in each year at such place as the Board may specify.

#### 55. ADJOURNMENT

With the consent of the meeting, the Chair of a meeting of the Shareholders may adjourn that meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

#### 56. TIME OF NOTICE OF MEETINGS

Not less than seven days before the date thereof, notice of the time and place of each meeting of the Shareholders shall be given in one or more of the manners provided in article 10 to each Shareholder and Elected Representative.

#### 57. INFORMATION IN NOTICE

Notice of a meeting of the Shareholders called for any purpose other than consideration of the financial statements and auditor's report, election of Directors and reappointment of the incumbent auditor shall state the nature of the business to be brought before the meeting, in sufficient detail to permit the Shareholders or the Elected Representatives to form a reasoned judgment thereon and shall state the text of any special resolution to be submitted to the meeting.

#### 58. LIST OF PERSONS ENTITLED TO NOTICE

For every meeting of the Shareholders, a list of persons entitled to receive notice of the meeting, arranged in alphabetical order shall be prepared. The list shall be available for examination by any Director, Elected Representative, Officer or auditor during usual business hours at the registered office of the Company and at the meeting for which the list was prepared.

#### 59. MEETINGS WITHOUT NOTICE

A meeting of the Shareholders may be held without notice at any time and place permitted by the Act if all of the Shareholders or Elected Representatives of the Shareholders are present or waive notice of or otherwise consent to the meeting being held so long as a Shareholder or Elected Representative of a Shareholder present is not attending for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

#### 60. PERSONS ENTITLED TO BE PRESENT

The only persons entitled to be present at a meeting of the Shareholders shall be the Shareholders or the Elected Representatives of the Shareholders, the Directors and Officers and the auditors, if any, of the Company, and others who, although not entitled to vote, have been invited or permitted to attend the meeting. Any other person may be admitted only on the invitation of the Chair of the meeting or with the consent of those persons present and entitled to vote thereat. Subject to the Act and the Articles, the Chair of any meeting has the right to exclude any person from the meeting or require any person in attendance to leave the meeting.

#### 61. QUORUM

A quorum of Shareholders is present at a meeting of Shareholders, irrespective of the number of persons actually present at the meeting, if more than fifty percent (50%) of the Elected Representatives of the Shareholders are present in person.

#### 62. RIGHT TO PROCEED WITH BUSINESS

If a quorum is present at the opening of any meeting of the Shareholders, the Elected Representatives of the Shareholders present may proceed with the business of the meeting.

#### 63. CONTINUATION OF BUSINESS

If quorum is lost the meeting is automatically adjourned and any remaining business will be dealt with at a future meeting.

#### 64. ABSENCE OF QUORUM

If a quorum is not present at any meeting of the Shareholders, the Elected Representatives must not open the meeting and may not transact any business.

#### 65. RIGHT TO VOTE

On every question or resolution before any meeting of the Shareholders each Shareholder present at the meeting of the Shareholders by its appointed Elected Representative or alternative method of representation as contemplated in Article 66 shall be entitled to one vote.

#### 66. CERTIFICATE OF ELECTED REPRESENTATIVES

Each Shareholder shall appoint an Elected Representative to vote on behalf of the Shareholder as legal holder of the shares at a meeting of the Shareholders and shall provide the Company with a certificate naming the Shareholders Elected Representative for the following twelve month period. If the Elected Representative of a Shareholder is unable to attend a meeting of the Shareholders, the Company, on the request of the Shareholder, shall approve an alternative method of representation for the Shareholder at that meeting.

#### 67. APPARENT AUTHORITY OF ELECTED REPRESENTATIVES

The Company and all persons having business with the Company shall be entitled to rely upon the apparent authority conferred upon each person named as an "Elected Representative" to exercise voting rights as herein provided.

#### 68. DURATION OF AUTHORITY

A certificate from a Shareholder may confer the authority of any elected official of the shareholders to be an “Elected Representative” for a twelve month period meetings of the Shareholders unless an alternative method of representation has been granted by the Shareholders in accordance with Article 66.

#### 69. CERTIFICATE OF LOSS OF STATUS

A Shareholder may also deposit with the Secretary a certificate certifying that the status of any person previously certified to be an “Elected Representative” has been terminated and replaced.

#### 70. TIME FOR DEPOSIT OF ELECTED REPRESENTATIVE CERTIFICATES

The Board may specify in a notice calling a meeting of the Shareholders, a time, preceding the time of that meeting by not more than two days exclusive of Non-Business Days, before which certificates (as contemplated in article 66 to be used at that meeting) must be deposited.

#### 71. NO DELEGATION OF VOTING AUTHORITY

An Elected Representative of a Shareholder may not delegate any voting right or authority to vote for that Elected Representative unless a Shareholder’s request for an alternative method of representation has been approved by the Shareholders in accordance with article 66.

#### 72. VOTES TO GOVERN

Except as required pursuant to article 76, at every meeting of the Shareholders, every question shall be determined by a simple majority being fifty percent plus one or more of the votes cast on the question. In case of an equality of votes, the vote is deemed to have failed.

#### 73. VOTING PROCEDURE

Each question and resolution before a meeting of the Shareholders shall be decided by a show of hands or by any other means which clearly indicates the affirmative vote, negative vote or abstention from voting by each person voting.

#### 74. DECLARATION OF CHAIR

Whenever a vote shall have been taken upon a question or resolution, a declaration by the Chair of the meeting that the vote upon the question or resolution has or has not been carried and an entry to that effect in the minutes of the meeting shall be prima facie evidence of the determination of the question or resolution without proof of the number of the votes recorded in favour of or against that question or resolution and where a majority of the Elected Representatives present vote in favour of or against a question or resolution, the result of their vote shall be conclusively deemed to be the unanimous decision of the Shareholders upon the question or resolution.

#### 75. RESOLUTION IN LIEU

A resolution in writing signed by all of the Elected Representatives of the Shareholders is valid as if it had been duly and unanimously passed at a meeting of the Shareholders.



## 76. SPECIAL MAJORITIES

Notwithstanding anything to the contrary expressed or implied elsewhere herein, the following actions shall require a Special Resolution of the Shareholders:

- a) the altering or adding to the Articles or the Memorandum;
- b) the approval and issuance of shares to a new municipality;
- c) the removal of a Shareholder; and,
- d) the dissolution of the Company.

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## **DIRECTORS AND BOARD MEETINGS**

## 77. AUTHORITY OF THE BOARD

The Board shall have all power necessary to manage the business and affairs of the Company except only where:

- a) the Act reserves a matter to the exclusive authority of the shareholders; or
- b) the power of the Board with respect to any particular matter has been expressly limited by the Articles. For greater certainty, the power of the Board with respect to the matters listed in article 46 and with respect to any other matter which is expressed to be subject to any action or approval of the Shareholders, is hereby restricted and reserved to the Shareholders.

## 78. SOME SPECIFIC BOARD AUTHORITY

Without limiting the generality of article 77, for greater certainty, the Board shall have all power to:

- a) approve and set the operating and capital budgets in accordance with the Annual Contribution Fees set by the Shareholders ;
- b) approve the compensation to be paid to and benefit plans, if any, to be established for the Officers of the Company but in respect only to their services as officers;
- c) set and approve the strategic plan for the Company and its divisions;
- d) safeguard the assets of the Company;
- e) prepare and approve annual financial operating reports and deliver them to the Shareholders in a timely fashion;
- f) delegate authority to Officers, management or staff as necessary;
- g) recommend to the Shareholders for their approval all necessary or desirable alterations or additions to the Memorandum and the Articles to enable and better facilitate the efficient management of the Company and the pursuit of its objects;
- h) appoint a Chief Executive Officer for the Company who hires other employees according to a Board-approved plan for the proper operation of the Company;
- i) manage and monitor performance of the Chief Executive Officer;
- j) establish or revise employee compensation and benefit plans;
- k) meet regularly with and receive the reports of the auditor;
- l) delegate to committees of the Board or any one or more Officers, special powers with respect to the execution of instruments and the use of the corporate seal;
- m) approve all borrowing requirements of the Company within its operating and capital budgets provided that such borrowing does not exceed one hundred thousand (\$100,000.00) dollars;
- n) subject to the requirements of Article 17, authorize and delegate to one or more financial Officers of the Company the authority to deal directly with one or more persons designated by the Board in respect of the short term borrowing requirements of the Company;
- o) other than the Chair of the Board, appoint and reappoint all Officers of the Company and, other than the Chair of the Board, remove any person appointed or reappointed to any office.
- p) subject to the requirements of Article 17, establishes signing authorities for the Company;
- q) approve financial Statements;
- r) approve the allocation of costs;
- s) approve the economic development strategies for the Company; and
- t) provide advice and direction to the CEO on the strategic direction of the Company.

## 79. NUMBER OF DIRECTORS

The Board shall consist of a minimum of six (6) to a maximum of twelve (12) Directors with the composition and length of terms as is set forth in Schedule "B" attached hereto. The term of appointment for directors shall be a maximum of two terms of three (3) years in accordance with article 82. Directors' terms shall be staggered so that no group of Directors as set out in Schedule "B" shall be completely replaced in any given year.

#### 80. QUALIFICATIONS

No person shall be qualified for election as a Director if that person:

- a) is less than eighteen years of age;
- b) is of unsound mind and has been so found by a court in Canada or elsewhere or by a physician licensed to practice medicine in Alberta;
- c) has the status of a bankrupt;
- d) has a prior conviction of fraud
- e) is not an individual;
- f) is not a resident within the Edmonton Metropolitan Region;
- g) has a conflict of interest by virtue of being an elected official of any Shareholder or otherwise has a conflict of interest as determined by the Shareholders in accordance with any policy of the Company with respect to conflict of interest; has served as a director of the Company for two consecutive terms; or,
- h) is not a Canadian citizen.

#### 81. NO QUALIFYING SHARE

A Director shall not be a Shareholder of the Company. No Public Official may hold a Board position until two years after their term has expired.

#### 82. TERMS AND ELECTION OF INITIAL BOARD; TRANSITION BOARD

The Shareholders shall elect the initial Board, from a slate of Directors presented to the Shareholders by the Nominating Committee for the initial term of the Board, to hold office for a term of three years subject to the Shareholders being permitted to elect the first Directors of the Company to terms of one, two or three years as recommended by the Nominating Committee. At the expiration of a Director's term, that Director shall be deemed to have retired but, if the Director continues to be qualified to act as a Director as required by Article 80, the Director shall be eligible for re-election to a second three year term. If an election of Directors is not held at the proper time, then subject to article 80, the incumbent Directors shall continue in office until their successors are elected. A retiring Director shall retain office until the dissolution of the meeting at which the successor of that Director is elected. A Director shall not be permitted to serve any more than two (2) consecutive terms.

Notwithstanding Article 79 and the foregoing Article 82, the Shareholders shall be permitted to elect a transition board (the "Transition Board") to assist with the establishment of the Company, to allow the Shareholders to establish the Nominating Committee, and to allow the Nominating Committee to put forward a slate of directors for the initial Board. The Transition Board will be appointed for such period of time as the Shareholders determine but in any event such term shall not extend past the first fiscal year end. The Shareholders shall not be required to comply with Schedule "B" when appointing the Transition Board provided that each Director appointed to the Transition Board has industry, governance or professional experience.

#### 83. REMOVAL OF DIRECTORS

At any time, the Shareholders may remove any Director from office.

#### 84. VACATION OF OFFICE

Except as hereafter provided, a Director ceases to hold office:

- a) upon the death of that Director;
- b) upon the removal of that Director from office by the Shareholders;
- c) except as hereafter provided, when that Director ceases to have the qualifications for election as a Director; or
- d) when the written resignation of that Director is received by the Company, or, if a time is specified in the written resignation, at the time so specified, whichever is later.

The automatic cessation of office of a Director shall not apply merely because the Director fails to meet the qualifications of section (g) of article 80.

#### 85. VACANCIES

The Shareholders may at any time appoint a Director to a vacancy in the Board. Nothing in the foregoing shall require the Shareholders to fill a vacancy on the Board prior to the next annual general meeting.

#### 86. QUORUM

The quorum for the Board is fifty (50) percent plus one.

#### 87. ACTION BY THE BOARD

The Board may transact any business within its power at a meeting at which a quorum is present at the commencement thereof notwithstanding a loss of a quorum thereafter unless any Director present at the meeting objects to the continuance of proceedings at the time the quorum is lost.

#### 88. BOARD ACTION DESPITE VACANCY

Where there is a vacancy in the Board, the remaining Directors shall constitute and may exercise all the powers of the Board so long as a quorum remains in office.

#### 89. MEETING BY TELEPHONE

If all of the Directors or members of any committee of the Board consent, one or more Directors may participate in a meeting of the Board or a committee of the Board (as the case may be) by means of telephone or other communication facilities which permit all persons participating in the meeting to hear or communicate with each other, and a Director participating in a meeting by that means is deemed to be present at that meeting. Any consent shall be effective whether given before or after the meeting to which it relates and may be given with respect to all meetings of the Board and of committees of the Board.

#### 90. PLACE OF MEETINGS

Meetings of the Board shall ordinarily be held at any place inside the Edmonton Metropolitan Region but, with the approval of the Shareholders, may be held at any place inside Alberta.

#### 91. CALLING MEETINGS

Meetings of the Board shall be held at the times and at the places as the Chair of the Board or a majority of the Directors may specify.

#### 92. NOTICE OF MEETING

Notice of the time and place of each meeting of the Board shall be given in the manner provided in article 10 to each Director, not less than one day before the day when the meeting is to be held. A notice of a meeting of the Board need not specify the purpose of, or the business to be transacted at the meeting except where the Act requires that purpose or business to be specified.

#### 93. MEETINGS WITHOUT NOTICE

A meeting of the Directors may be held without notice at any time and place permitted by the Act if all of the Directors are present or waive notice of or otherwise consent to the meeting being held so long as a Director is not attending for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

#### 94. MEETING OF THE BOARD FOLLOWING SHAREHOLDERS' MEETING

Provided a quorum of Directors is present, the Board may, without notice, hold a meeting immediately following any meeting of the Shareholders.

#### 95. REGULAR MEETINGS

The Board may appoint a day or days in any month or months for regular meetings of the Board at a place and hour to be fixed or later named. Notwithstanding the foregoing, the Board shall meet at least quarterly. A copy of any resolution of the Board fixing the place and time of these regular meetings shall be sent to each Director forthwith after being passed, and no other notice shall be required for any of these regular meetings except where the Act requires the purpose of or the business to be transacted at the meeting to be specified.

#### 96. CHAIR OF A BOARD MEETING

The Chair of any meeting of the Board shall be the Chair of the Board, and in the absence of the Chair of the Board, shall be the Vice-Chair. If neither of these Officers is present, the Directors present shall choose one of their number to be the Chair of that meeting.

#### 97. MEETING AGENDA

The agenda for any meeting of the Board may be set or approved by the person who is the Chair of that meeting pursuant to article 96.

#### 98. RULES OF PROCEDURE

The Chair of any meeting of the Board may establish and rule on the rules of procedure to be followed at the meeting at which that person is the Chair.

#### 99. VOTES TO GOVERN

At all meetings of the Board, every question shall be decided on a consensus basis. When a consensus cannot be reached each of the 10 Directors may cast one vote and a majority of the votes cast on the question will decide the question. In case of an equality of votes, the vote is deemed to have failed.

#### 100. SIGNED RESOLUTION

A resolution in writing, signed by all the Directors entitled to vote on that resolution at a meeting of the Board, is as valid as if it had been passed at a meeting of the Board and a resolution so signed shall be held to relate back to any date therein stated to be the effective date thereof.

#### 101. CONFLICT OF INTEREST

A Director who has a Conflict of Interest in any matter before the Board shall declare that Conflict of Interest by written notice to the Chair or by verbal declaration before the start of a meeting of the Board of Directors and that Director shall not vote on any question pertaining to that matter ( and if such Director does vote, such vote, shall not be counted) and at the request of any other Director, that Director shall not be permitted to be present during such portion of the meeting which such matter is under discussion and during any vote on such matter.

#### 102. CONFIDENTIALITY

Each Director shall maintain as confidential the business and affairs of the Company. However, such restrictions shall not restrict any Director in promoting the lawful objects of the Company or providing reasonable information to its Shareholders.

#### 103. DUTIES OF DIRECTORS

Every Director shall act honestly and in good faith with a view to the best interests of the Company and shall exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

#### 104. HONORARIUM, REMUNERATION AND EXPENSES

Any honorarium for the Directors for their service on the Board shall be approved by the Shareholders in accordance with any policy of the Company approved by the Shareholders with respect to Conflict of Interest and honorariums. Directors shall be reimbursed for expenses properly incurred by them for travel or otherwise in connection with the attending of meetings of the Shareholders, the Board or other committee meetings as may be required of the Directors. Nothing contained in the Articles shall preclude any Director from serving the Company in any other capacity and receiving remuneration for those services.

#### 105. REGISTRATION AND FILING DUTIES

The Board shall duly comply with the provisions of the Act or any and all other relevant legislation with respect to the registration of mortgages and securities, and to keeping the registers of Directors and managers, and recording their addresses and occupations, and to filing with the Registrar of Corporations (Alberta) and all other competent authorities, all reports and copies of special resolutions, and of any changes in the address of the registered office of the Company or of any Director.

#### 106. MINUTES

The Board shall cause minutes to be duly entered in books provided for the purpose:

- a) of all appointments of Officers;

- b) of the names of the Directors present at each meeting of the Board and of any committee of the Board;
- c) of all resolutions made by the Board and of committees of the Board;
- d) of all resolutions and proceedings of meetings of the Shareholders and of meetings of the Board and of committees of the Board; and any of those minutes if purporting to be signed by the Chair of that meeting, or by the Chair of the next succeeding meeting, shall be receivable as prima facie evidence of the consideration of the matters stated, business conducted and resolutions considered and passed as stated therein.

#### 107. COMMITTEES OF THE BOARD

The Board may establish and thereafter appoint committees of the Board consisting of at least of one (1) Director and any other persons as the Board may determine. Each committee shall have a Director as Chair. The Board may establish the terms of reference for each committee established, delegate to the committees any of the powers of the Board that are permitted to be delegated under the Act or Articles, or dissolve a committee at any time. The Board shall annually review the terms of reference for each committee established by it and the Board may dissolve any committee at any time.

#### 108. TRANSACTION OF BUSINESS

The powers of a committee of the Board may be exercised by a meeting at which seventy-five (75%) percent of the members of that committee are present or by resolution in writing signed by all members of that committee who would have been entitled to vote on that resolution at a meeting of that committee.

#### 109. COMMITTEE PROCEDURES

Unless otherwise determined by the Board, each committee of the Board shall have power to elect its Chair, from amongst the Director(s) on the committee, and to regulate its procedure.

#### 110. REMOVAL FROM BOARD COMMITTEE

At any time, a vote by the Board through simple majority may remove any committee member from any committee of the Board.

#### 111. ADVISORS AND ADVISORY BODIES

The CEO may appoint advisors and advisory bodies, to advise the Board on any matters deemed important.



## **OFFICERS**

#### 112. REQUIRED OFFICERS AND OTHER OFFICERS

The Shareholders will appoint the Chair of the Board in accordance with article 46(m). The Board may appoint, and thereafter may reappoint, one or more Vice-Chairs and any other Officers as the Board may consider advisable.

#### 113. DUTIES OF OFFICERS

In addition to the duties and powers specified in the Articles, the Board shall specify the duties of and may delegate to the Officers, powers to manage the business and affairs of the Company.

#### 114. CONFIDENTIALITY

Each Officer shall maintain as confidential the business and affairs of the Company. However, such restrictions shall not restrict any Officer in promoting the lawful objects of the Company or providing reasonable information to its Shareholders.

#### 115. SEVERAL OFFICES

With the exception of the Chair of the Board, any person may hold more than one officer position.

#### 116. CHAIR OF THE BOARD

The Shareholders shall appoint and, thereafter, may reappoint or remove the Chair of the Board from the Directors. The Chair of the Board shall:

- a) preside as Chair of all meetings of the Board
- b) set or approve the agenda of all meetings of the Board or of the Shareholders called by the Chair of the Board;
- c) except as otherwise provided herein, call all meetings of the Board;
- d) except as otherwise provided herein, establish the rules of procedure to be followed at meetings of the Board and meetings of the Shareholders;
- e) review the performance of the Directors and take reasonable measures to ensure that all Directors are active and contributing members of the Board;
- f) plan for and make recommendations to the Shareholders with respect to the succession of Directors;
- g) recommend to the Board, the appointment of Directors to committees of the Board;
- h) together with the CEO:
  - i. advise the Board of the business and affairs of the Company;
  - ii. sign reports, recommendations and proposals of the Board to be presented to the Shareholders; and
  - iii. attend at and report to all meetings of the Shareholders and the Board.

Subject to the right of removal as hereinbefore provided, the term of office of the Chair of the Board shall be concurrent with that officer's term as a Director.

#### 117. VICE-CHAIR

The Board shall appoint and thereafter, may reappoint or remove the Vice-Chair. During the absence or disability of the Chair of the Board, the duties and powers of the Chair of the Board shall be performed and

may be exercised by the Vice-Chair. Subject to the right of removal as hereinbefore provided, the term of office of the Vice-Chair shall be concurrent with that officer's term as a Director.

#### 118. REMOVAL FROM OFFICE

With the exception of the Chair of the Board, the Board may remove any officer of the Company without prejudice to the rights of that officer under any employment contract with the Company. Until an officer is removed, resigns, or becomes ineligible to hold office, that officer shall hold office until a successor to that officer is appointed.

#### 119. CONFLICT OF INTEREST

An Officer who has a Conflict of Interest in any material contract or proposed contract with the Company or in any other matter that is of interest to the Company shall disclose such Conflict of Interest in writing to the Board.

#### 120. REMUNERATION

Any remuneration or honorarium to be paid to the Officers of the Company shall be fixed, from time to time by the Board. For greater certainty, except for in the case of the Chief Executive Officer, where an Officer is also an employee of the Company the Board shall delegate to the Chief Executive Officer or management the authority to set the salary remuneration for such Officer's service to the Company as an employee.

## **FINANCIAL MATTERS**

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#### 121. RESERVES

From time to time the Board may create a reserve or reserves to provide for the maintenance of the property of the Company, replacing the wasting assets, meeting contingencies, forming an insurance fund or for any other purpose whatsoever.

#### 122. FUNDS

The Board may create a fund or funds out of the assets of the Company not greater in amount than the reserve or reserves contemplated in article 121 and may apply the fund or funds either by employing them in the business of the Company or by investing them in the manner (not being the purchase of, or by way of loan, upon the shares of the Company) as the Board determines, and the income arising from that fund or funds shall be treated as part of the profits of the Company for the year in which that income arose. That fund or funds may be applied for the purpose of maintaining the property of the Company, replacing the wasting assets, meeting contingencies, forming an insurance fund or for any other purpose for which the profits of the Company may be lawfully used.

The Board may create policies for the management of the fund or funds and policies that set out any funding models for the Company.

#### 123. DUTY TO KEEP ACCOUNTS

The Board shall cause the Company to keep proper books of account and accounting records as and where required by the Act.

#### 124. INSPECTION OF BOOKS AND RECORDS

Unless the Board determines otherwise, the books of account and accounting records of the Company shall be kept at the registered office of the Company and those books and records shall always be open to the inspection of any Shareholder or Director in accordance with the Act.

#### 125. FINANCIAL STATEMENTS

At every annual general meeting, the Board shall lay before the Company the financial statements and other reports pertaining thereto, including the report of the auditors, as required by the Act.

#### 126. FORWARDING FINANCIAL STATEMENTS

At least seven days prior to every annual general meeting the Secretary shall send a copy of the financial statements and the auditors' report to each of the Shareholders and each of the Elected Representatives, in the manner in which notices are to be served.

#### 127. APPOINTMENT OF AUDITORS BY SHAREHOLDERS

At each annual general meeting, the Shareholders shall appoint the auditors to hold office until the close of the next annual general meeting. If the Shareholders do not appoint the auditors at any annual general meeting, the auditor or auditors in office shall continue in office until a successor is appointed. The first auditors shall be appointed by the Board.

#### 128. REMOVAL OF AUDITORS

The Shareholders may remove any auditor before the expiration of the appointed term of office of that auditor and may appoint another auditor for the remainder of that appointed term.

#### 129. REMUNERATION OF AUDITORS

The remuneration of the auditors shall be fixed by the Board.

#### 130. DEPOSITS

The funds of the Company may be deposited to the credit of the Company with those financial institutions authorized to receive and hold deposits as the Board may approve.

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The foregoing Articles hereto annexed shall be the Articles of Association of the [ENTITY].

SIGNED this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

Name

Address

City, province

Postal Code

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**Schedule "A"**  
**Shareholders**

List of participating municipalities

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**Schedule “B”**  
**Composition of Board**

1. The Board shall consist of six (6) to twelve (12) Directors selected by the Shareholders in accordance with the articles.
2. The Board will consist of :
  - a. Five (5) appointees who have business or professional experience aligned with the Skill Based Matrix AND personal or business residency in:
    - i. One (1), the Leduc sub-region
    - ii. One (1), the Strathcona sub-region
    - iii. One (1), the Sturgeon sub-region
    - iv. One (1), Parkland sub-region
    - v. One (1), the City of Edmonton
  - b. Five (5) appointees who have business or professional experience aligned with the Skill Based Matrix AND are industry leaders with subject matter expertise.

In the event that none of the Shareholders of the Company are located in one of the sub-regions set out in section 2(a) of this Schedule “B” or one of the sub-regions is no longer part of the Edmonton Metropolitan Region due to a change in boundaries as contemplated by the Articles, the director seat for that region shall become an additional industry leader seat in accordance with section 2(b) of this Schedule “B”.

**Schedule “C”**

**Edmonton Metropolitan Region Economic Development Board Boundaries**

To be determined by the Shareholders

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## Schedule "D"

### Funding Formula

[illegible]